



CONNECTICUT

**TESTIMONY OF
ANDY MARKOWSKI, STATE DIRECTOR
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
SUPPORTING
HB-5500, AA REQUIRING THE SUSPENSION OF ADMINISTRATIVE PENALTIES
IMPOSED ON CERTAIN BUSINESS ENTITIES
BEFORE THE
GOVERNMENT ADMINISTRATION & ELECTIONS COMMITTEE
MARCH 7, 2016**

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, NFIB/Connecticut offers the following comments:

NFIB/Connecticut strongly supports HB-5500. This pro-small business bill will empower state regulatory agencies to allow small businesses, upon their request, to remediate certain first-time regulatory violations without civil penalty if such remediation is done in a timely manner. We believe that this is a reasonable approach that would help provide some much needed balance between the regulators and the regulated community.

In the 2012 edition of "Small Business Problems & Priorities" by the NFIB Research Foundation, "Unreasonable Government Regulations" ranked as the 5th greatest problem of concern from small business owners, up from its 6th position in 2008. Much like taxes, this generic problem category costs small businesses in several ways: understanding and keeping up-to-date with compliance requirements, costs of consultants, employee time, management time, direct outlays, lost productivity and/or sales, forgone opportunities, etc. The federal government alone proposes approximately 150 new rules every year that cost business owners over \$100 million per rule in compliance costs. Adding state and local laws and regulations that sometimes duplicate federal regulations, merely raise the cost and frustration level for small business. The sheer volume and complexity of this regulatory onslaught for small businesses means that, on occasion, without any ill intent, something may slip through the cracks and a business owner may inadvertently not comply with a regulatory requirement. These instances by otherwise law-abiding small business owner should not be penalized, and therefore it makes sense for legislation such as HB-5500 to move forward.

Passage of legislation like HB-5500 will go a long way toward ensuring a better regulatory environment and a better working relationship between state agencies and small



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businesses in Connecticut, the majority of whom want to do the “right thing” and quickly remediate any inadvertent noncompliance. This legislation will move towards creating some much needed regulatory relief for small businesses and will certainly help foster a more business-friendly reputation for the state of Connecticut and its administrative agencies.

Finally, NFIB would suggest that the Committee consider changing the word “may” to “shall” in line 8 of the bill. This would go a long way toward making the bill even more impactful.

Thank you for the opportunity to comment, and NFIB urges support for this measure.